

Continue the Quest

By Linda Biek

After attending meetings throughout the summer, I am now taking time to reflect on what I have heard. One of the most thought provoking meetings was held in Washington, DC to introduce the Center for Public Trust, an organization which was established to address the issue of ethics and ethical behavior in business, education, public policy and society. The meeting was attended by New Mexico Governor Bill Richardson, Texas Congressman Michael Conaway and other dignitaries who discussed the importance of ethical conduct. However, it was Scott Price's travels with his son, Pat, that left the audience speechless.

The dynamic duo spent one year interviewing people who are "doing it right" and encouraging them to continue the quest. In front of an audience of CPAs and in light of the accounting scandals that have rocked the country over the past few years, Mr. Price touched us all as he discussed people helping people. This is what ethics is all about. It's about people helping people. It's about looking out for the best interest of your client. It's about making a conscious decision to do the right thing, regardless of the outcome. I encourage you to take the next year and find a way to "do it right."



Compliance Corner

By Leona Johnson



Tax returns on the side?

Although more than 50% of the CPAs licensed in Tennessee work in industry, government and education, many of these individuals provide accounting services to the public to supplement their income. Any CPA who falls into this category must register with the Board as a CPA firm even if the participation is part-time and home-based. Registration forms and information about registering your CPA firm are available from the Board's web site.

Who is due a Peer Review?

Audits, reviews, compilations, examinations of prospective financial statements and written assertions, and agreed-upon procedures are all attest services. As a condition for firm renewal, a firm must submit evidence of satisfactory completion of a peer review once every three years if they provide attest services.

Evidence of satisfactory completion is a two-step process. First, firms must submit the reviewer's report letter as proof the peer review has been completed. Secondly, the firm must provide the letter of acceptance indicating that all remedial/corrective actions, if required, have been completed and accepted. These documents should be forwarded to the Board office immediately upon receipt. A member of the Board staff will record it and credit the firm appropriately for the next renewal. If you have questions, contact Leona Johnson at leona.johnson@state.tn.us or (615) 741-2550.

What's in the Mailbox?

By Mark H. Crocker

You have received correspondence with a return address from the Board of Accountancy. Do you open it or not? The answer is a resounding YES! There is a possibility that the enclosed paperwork informs you that a complaint has been filed against you. Keep in mind that the State of Tennessee takes all complaints seriously. Even if the complaint is deemed frivolous, additional information is probably going to be required.

If the envelope does contain the news that a complaint has been filed, the following steps will be taken in order to reach a final resolution. A letter is sent to the Respondent (that would be you!) informing him that a complaint has been filed and that a response must be forwarded to the Board office within 10 working days. If more time is needed, then the Respondent may request additional time to respond. If no response is received from the first letter, a second letter is sent with the request to respond within 10 working days. Be advised that all complaints are public record so do not include anything that is confidential. That will be collected during the investigation stage.

Once a response is received, or if there is no response, the complaint file is reviewed by the Executive Director, Linda Biek, and forwarded to the legal department. The Board's attorney reviews the file and decides if an investigation is warranted,

The file will then make its way to my office. At that point in time, you will probably receive a visit or a telephone call from me. My responsibility as the Board's Investigator is to gather as many facts about the allegations as possible. I will interview the Respondent, the Complainant (the person who filed the complaint), and anyone else who may have firsthand knowledge of the incident. Affidavits are taken from those who have pertinent information; research will be done on the finer points of the accounting issues; and a report will be written for the attorney.

The report details the history of the case, any applicable law and rules that have been violated, any observations that were made in the course of my investigation and a recommendation for disposition. That recommendation may range from a dismissal of the charges to a formal hearing to revoke your license. The attorney has the option of accepting my recommendation or suggesting a different disposition. Any differences are discussed to determine the appropriate action to be taken. The case is then presented to the Probable Cause Committee of the Board, who will vote on whether or not to accept the proposed action. Once the committee approves the action, the full Board will vote to ratify the decision at the next meeting.

The process sounds slow and tedious—and to a certain degree it is. Yet, every opportunity is taken to protect your rights as the Respondent. The Board wants to ensure that you have received notification and have an opportunity to tell your side of the story. It is of paramount importance to remember that the procedure can be shortened greatly by your prompt response.

Please remember that any time you receive correspondence from the Board, you should open it, read it, and take appropriate action. Your efforts to communicate with the Board during this process will be considered when determining the course of action that should be taken. A respondent who ignores the Board's correspondence is viewed as not taking their license or profession seriously. Therefore, always respond in a prompt, courteous manner and it will help move any complaint along more quickly.

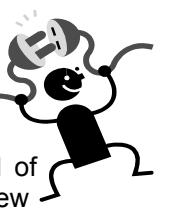


Online Renewals are on the Horizon

By Ethel Mims

Recently, the leadership of the Tennessee Department of Commerce and Insurance made the decision to move ahead with online renewals for the Division of Regulatory Boards. Fortunately, this division includes the Board of Accountancy. It is anticipated that licensees and firms who are required to renew at the end of 2006 will be able to complete the transaction online. This process should significantly decrease the amount of time it takes to receive your pocket card and decrease concern over the potential late fee that will be assessed if the renewal form and payment are delayed due to the post office.

The specifics of the process have not yet been finalized but it is the hope of the Board and staff that online renewals will be benefit everyone who is involved in the process. We encourage you to take advantage of this opportunity. More information will be forthcoming as we get closer to the 2006 renewal season.



A Message from the Chairman

The Tennessee State Board of Accountancy was establish in 1959 to protect the public. Although times have changed, the purpose has not. The board members are still required to enforce the Accountancy law and rules but they are also responsible for educating CPAs regarding their rights and responsibilities.

When you have a question, call the Board office for clarification. The staff is available to assist and point you in the right direction. I also invite you to attend any of the Board meetings to learn more about issues facing the profession.

Douglas E. Warren, CPA

Accountants never grow old they just
lose their balance

Board Meeting Schedule

 **October 28, 2005**
10:00 a.m. Room 640

January 6, 2006
10:00 a.m. Room 160

April 28, 2006
10:00 a.m. Room 160

July 28, 2006
10:00 a.m. Room 160

October 27, 2006
10:00 a.m. Room 160

Note: Board meetings are public and are held at 500 James Robertson Parkway in Nashville. Please visit the website at www.state.tn.us/commerce/boards/tnsba to confirm the time and room number.



STATE OF TENNESSEE
BOARD OF ACCOUNTANCY
2ND FL., DAVY CROCKETT TOWER
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-1141

U.S. POSTAGE PAID
NASHVILLE, TN
PERMIT #1446



Tennessee Department of Commerce and Insurance. Authorization No. 335328, 13,500 copies, September 2005. This document was promulgated at a cost of \$.09 per copy.

Quick Tips & Reminders

License renewals:

- Odd-numbered licensees must renew by 12/31/05.
- Renewal fees must be received in the Board office by 12/31/05 or a 100% late fee will be assessed.
- Envelopes are not forwarded to the Board office so postmarks are not proof of timely filing.

CPE reporting form:

- Active CPAs can download the CPE reporting form from the website and submit it to the Board office anytime before December 31, 2005.

CPE requirements:

- 80 CPE hours within the 2 year renewal period.
- 40 technical hours (*i.e. accounting, auditing, taxation, ethics, and managerial advisory services*.)
- 20 hours of A&A if you do attest services.
- Initially licensed in 2005, no CPE required for 2005.
- Initially licensed in 2004 and renewing in 2005 - No CPE required for 2004, but 40 hours required in 2005. You must report half the normal reporting requirement (*40 overall hours with 20 technical hours. If applicable, 10 A&A hours.*)

CPE extensions :

- May be granted for poor health, military service or other just and reasonable causes.
- Documentation may be requested to substantiate the claim.
- Automatically denied if not received in writing by December 31, 2005.

Address changes:

- Must be made in writing within 30 days or a \$25 late fee is applied.

Name changes:

- CPAs must provide Board with a court certified copy of marriage or divorce papers.
- CPA firm name cannot be misleading and must be approved by board if the name does not consist of the names of partners, members, or shareholders.
- Approval for firm names should be completed prior to registering with the Secretary of State or printing of promotional materials.

Information:

- www.state.tn.us/commerce/boards/tnsba